



**COMET - Pension System Resumption (PSR) Project
Implementation Phase**

**CalPERS Procurement of
PSR-related Hardware/Software and
Savings Management Plan**

June 19, 2008

PURCHASES APPROVAL SUMMARY

The Accenture contract includes an inventory of hardware and software proposed for the PSR System. Contract language acknowledges that the inventory does not represent a complete listing of all hardware and software needs, as certain units may become unavailable or other units may need to be purchased. However, regardless of the changes to the inventory, Accenture will deliver to CalPERS all the hardware and software necessary for the PSR System with no contract cost increase.

In order for CalPERS to ensure that they are receiving the best price for all hardware and software purchases the following Purchase Approval Process was put in place for the PSR project.

PURCHASE APPROVAL PROCESS

Accenture provides written notice to CalPERS 60 days in advance of a hardware or software purchase need. CalPERS has the option to purchase directly from any vendor; if CalPERS elects to exercise this option, it must notify Accenture within ten business days of the purchase request receipt date.

If CalPERS purchases the item directly, the cost to CalPERS is subtracted from the Accenture contract so the funds are available for CalPERS to pay the vendor directly. Any savings resulting from the CalPERS direct purchase remains in the Accenture contract and is available for future hardware and software purchases as proposed by Accenture and approved by CalPERS.

Any amounts remaining in the hardware and software contract budget after all hardware and software has been acquired for the PSR System may be used by CalPERS to pay for additional Accenture services as mutually agreed by both Accenture and CalPERS. Additional services include maintenance, knowledge transfer or enhancements. If additional services are not purchased, the remaining funds revert back to the Public Employees Retirement Fund (PERF).

SAVINGS SUMMARY

CURRENT ACCENTURE CONTRACT			
<u>Expense Category</u>	<u>Current Contract Amount</u>		
Consulting Services	\$	167,205,293	81.5%
Performance Bond	\$	1,066,465	0.5%
Expenses	\$	411,035	0.2%
System Support & Operations	\$	10,125,000	4.9%
Work Authorizations	\$	1,167,307	0.6%
<u>Hardware & Software:</u>			
Hardware	\$	4,109,262	2.0%
Software	\$	13,324,579	6.5%
Hardware Maintenance	\$	1,088,605	0.5%
Software Maintenance	\$	6,603,279	3.2%
Subtotal, Hardware & Software	\$	25,125,725	12.3%
TOTAL ACCENTURE CONTRACT	\$	205,100,825	100.0%

HARDWARE & SOFTWARE DETAILS			
<u>Accenture Purchases:</u>			
Initial Hardware, Software & Maintenance Contract Amount	\$	26,065,686	
Less: Contract Reduction Due to CalPERS Direct Purchases	\$	(939,961)	
Total Available for Accenture Purchases	\$	25,125,725	
Expended to Date	\$	(10,335,270)	
Balance	\$	14,790,455	
<u>CalPERS Direct Purchases:</u>			
CalPERS Cost	\$	939,961	
Accenture Cost	\$	949,150	
Savings	\$	(9,189)	= 1%